

Give & Take

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NEWS AND IDEAS FOR DEVELOPMENT EXECUTIVES OF NONPROFIT ORGANIZATIONS

Taking Advantage of Summer

by Phillip Adcock

Four steps you can take now to improve your program year-round.

Summer is a relaxed season that often involves spending time with family, enjoying outdoor activities and perhaps a well-deserved vacation. While it seems every month of the year is full of activity, for many the summer months are generally a time of a slightly slower pace that may provide an opportunity to reflect on the successes of the past and address the challenges of the future. Summer is an excellent time to plan for your personal future, strategize for your organization, and set goals for your funding efforts. Consider taking time to engage in a few of the following activities prior to what will be a traditionally busy fall.

Evaluate your planned giving marketing strategy

If your program is established and you have good records, research gifts that have matured for your organization such as gifts by will, charitable gift annuities, charitable remainder trusts, etc., and use the information to help fine tune your marketing strategies. As part of your analysis, determine the age of these individuals at the time they established their planned gift, how old they were at death, and what their giving history may have been over the course of their life. The objective of this activity is to build a donor profile showing who is choosing to

make these special gifts to your institution and, just as important for many, when they are deciding to do so.

Consider these questions: Is there a pattern evident in number of gifts or years on file? Are donors making the decision to include your institution in their estate plans while in their seventies? Are these donors dying in their eighties? The answers to these questions will help you build a profile of likely prospects among your constituency and help you in deciding what material to send to these particular donors. Your objective should be to send the right

material promoting the right gift to the right people at the right time in their lives.

Finalize plans for communications at year-end

By now, you may already have plans in place. For many donors, the end of the year is a time to review financial affairs. For some, it

is a time when compensation bonuses representing a significant portion of annual income are received. Virtually anyone planning a gift this year can benefit from a reminder to have the gift completed by December 31.

Perhaps you are planning to insert brochures in thank-you letters or pledge reminders, or maybe you have developed a special mailing to current contributors who have traditionally given cash. Whatever



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In the News . . .

News and notes
of interest to
gift planners.

Bequest intentions revealed in Michigan survey

Researchers at Michigan State University recently studied the correlation between those persons who actually had a will and those who intended to make bequests to charity. While they found no direct trend between giving and income level, they did discover differences in particular age groups.

While only 16% of the 18- to 29-year-olds said they had drafted a will, 32% of those people said they intended to use their will to leave a charitable bequest. Half of the 60-69 age group reported having a will, but the percentage of those who planned to leave a bequest to charity dropped to 6.1%. The 70- to 79-year-olds reported that nearly 70% of them had wills. Of this group, 11.3% said they intended to donate money to charitable organizations through their will.

This survey is a good example of how people feel about their assets at different times in their lives. The young twentysomethings, who tend to have fewer family and personal financial responsibilities, have a strong propensity for giving. They are not yet as worried about retirement or medical problems. However, though they have a strong desire to give through bequests, most young people do not have

the document that would make that possible—a will—and they have life expectancies of a half century or longer.

When people reach their sixties, though half of them may have a will, many people are too worried about retirement, family obligations, and potential illnesses to bequeath what they perceive to be their much needed assets to charity.

However, there is a shift when people reach their seventies. Not only do most septuagenarians have a will, their desire to want to help a charity with a bequest increases as well. In the Michigan survey the intentions of the 70-79 age group were almost double the intentions of those in their sixties. Why? One reason may be that family obligations may be lightened because children and grandchildren become self-supporting and other dependents, such as aging parents, may no longer be living.

What does this survey mean for gift planners? These survey results underscore the importance of varying the planned gift marketing message. Younger donors need to be periodically reminded of the importance of having a will in the first place. This data proves once again that older donors, especially those in their seventies, need to be reminded less about the importance of making their first will and more about updating their will to reflect all of their current wishes, including bequests to charitable organizations that are special to them. [C&T](#)

Source: *The Chronicle of Philanthropy*, June 4, 1998

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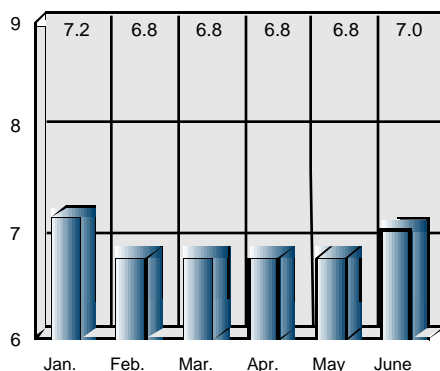
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Discount Rates



The trend in adjusted federal mid-term rates (AFMRs), which are used in calculating the benefits of split-interest gifts.

Robert F. Sharpe & Company, Inc.

*Celebrating
35 years*

of helping nonprofits build

Giving USA Shows Bequest Giving Up Sharply in 1997

America's charitable organizations and institutions received an estimated \$12.63 billion from bequests in 1997, according to statistics compiled in *Giving USA 1998*. This figure shows that giving through bequests increased by 10% last year. If this pace continues, bequest giving will double in just seven years. Bequest giving in 1996 was reported at \$11.48 billion and grew by only 7% from 1995. As a portion of total giving in the United States for 1997, bequest giving accounted for 8.8%.

Not only did charitable giving increase through bequests, but it increased in the other three sources that *Giving USA* studied as well—gifts from individuals, foundations, and corporations. Individual giving rose 6.8% from \$102.35 billion in 1996 to \$109.26 billion in 1997. Foundation and corporate giving were up 11.4% and 7.5% respectively.

Total giving in 1997 increased from \$133.46 billion in 1996 to \$143.46 billion. This shows an overall 7.5% increase in charitable giving in the U.S. last year. When individual giving and bequest giving are combined, \$121.89 billion was given by living individuals and their estates, accounting for 85% of total contributions made in 1997. Historically personal giving, either through wills or lifetime gifts, has been the largest source of charitable dollars.

The AAFRC Trust for Philanthropy reported that a strong economy and many notable philanthropic role models such as Princess Diana and Ted Turner helped spur the increase in giving in 1997. Nonprofits may have also boosted charitable giving by maintaining a more positive public image through careful management of their organizations.

Giving USA revises all past-year figures as new data becomes available. The publication also adjusts the totals that nonprofits report to them to account for charities

that make contributions to each other, such as United Ways. For example, a gift to United Way is counted as an individual gift, but the United Way's contribution to a charity is regarded as "unallocated." This year's "unallocated" category figure equals \$15.96 billion.

In a prepared statement, Nancy L. Raybin, chair of the AAFRC Trust for Philanthropy, said, "When we estimate giving, the biggest challenge is determining the contributions of the two-thirds of Americans who do not file a tax return with itemized deductions." Ms. Raybin goes on to state that this group of non-itemizers have been responsible in the past for approximately one-third of all personal giving. "There is some evidence that initial reporting of charitable giving tends to be the tip of the iceberg," she said.

Giving USA is the annual report of the American Association of Fund-Raising Counsel (AAFRC)

Trust for Philanthropy. It has been publishing this report for 43 years. You may order a copy of *Giving USA* by calling 1-888-5-GIVING or online at www.aafrc.org. The price for *Giving USA* in book form is \$54.95, which includes shipping and handling. You may also purchase *Giving USA* on disk for \$141 including shipping and handling.

Giving through bequests increased by 10% last year.

More Facts on Giving 1997

- Religious organizations received 47% of charitable gifts—the largest share.
- Educational institutions were second with 13.5%.
- Giving to health-related organizations accounted for 8.8% of contributions.
- Human service organizations were fourth with 7.9%.

Source: *Giving USA*

Tips on Writing Letters to Donors

by Elizabeth Smithers

From the salutation to the signature, letters you send to donors speak volumes about you and your organization.

We have all seen a letter come across our desk with typos, bad grammar, misspelled words, punctuation errors, and sloppy printing. And, rightly or wrongly, we probably formed a negative opinion about the person who sent that letter.

What are your own letters saying about you? Here are some factors you may want to consider as you sit down to write to your most important associates—your donors.

What comes after the “Dear”?

As you compose your letter, do you begin with “Dear Jane and John” or “Dear Mr. and Mrs. Doe”? Or perhaps “Dear Friend”? The appropriate salutation depends on two primary factors:

- **How well you know the donor.** If you are writing a thank-you note to a donor whom you know very well and with whom you are on a first name basis, “Dear Jane” is appropriate. If, on the other hand, you are writing to a donor you have never met and do not know well, address him as “Mr. Doe” in your correspondence. Many would advise that you should continue to address him this way until he requests that you call him by his given name.

- **The subject of the letter.** If you are composing a cover letter for a mass mailing on wills and estate planning, you should consider using “Dear Friend” as your salutation. Because of the highly personal nature of the subject of wills, most donors prefer the more formal approach of this less direct salutation. While some direct mail tenets say that a more personalized approach is best, we have found over the years that some older persons may perceive that approach as inappropriate when it

comes to the subject of estate and financial planning. In other words, less may be more.

Remember to always double-check the spelling of the donor’s name and to use the correct title when appropriate. Medical doctors, Ph.D.’s, J.D.’s, married women, single women, etc., most likely have titles and/or suffixes they prefer. Find out what these are and use them correctly! Be especially wary of the use of the “Ms.” salutation with elderly women. Experience has

shown that a significant number will prefer “Miss.” It is advisable to never change a “Miss” salutation to a “Ms.” without being requested to do so.

Who signs the letter?

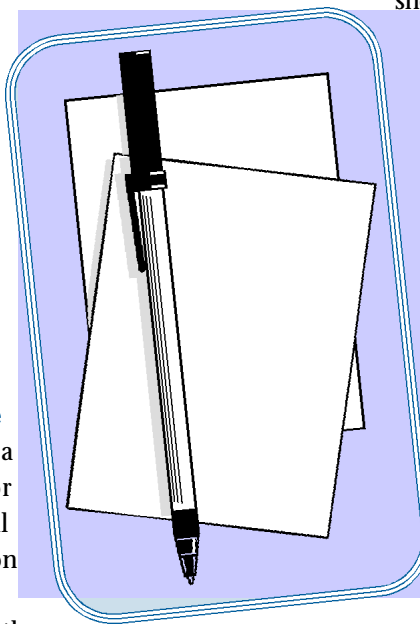
Obviously if a letter is from you, you should sign it. But you may want to consider having someone else write a cover letter for your organization. For example, a testimonial-style letter from a volunteer or an actual donor may be both appropriate and compelling. There is nothing

quite as moving as the personal story of a donor’s affiliation with and belief in the organization told in his or her own words. Many organizations we work with have used this testimonial approach with great success.

Another alternative may be to ask your president or board chairperson to write certain letters, such as thank-you letters for significant gifts or cover letters for annual appeal mailings. Correspondence from the highest-ranking person in your organization may be very meaningful to high-profile donors and prospective donors.

And remember, no matter who signs the letter, be sure that someone does! A letter without a signature can be seen as a sign of carelessness and not only reflects poorly on you, but on your organization as a whole.

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Taking Advantage of Summer . . . *Continued from page 1*

your plans may be, now is the time to make sure the details of your communication with donors are in process. See page 6 of this issue and the June 1998 issue of *Give & Take* for ideas and assistance.

Contact special donors and prospects

Calling and visiting prospects and donors is, of course, an important year-round activity. While some of your major gift prospects and donors may be on vacation or otherwise occupied during summer months, there may be others for whom summer is a downtime. Some individuals may be more receptive to a call or visit during this time. Use any extra time you have this summer to catch up with those who have not reached your highest priority list during the busiest months of the year.

Review your acknowledgment system

Use every opportunity to simply say thanks. Say thank you in your telephone conversations, your visits, and in your letters and notes. Consider thanking family members and professional advisors of estate maturities and notifications. Make sure that your institution's acknowledgment system thanks even the smallest of donors, as long-term donors of relatively modest amounts are often among the best bequest prospects. Remember that your acknowledgment system is the foundation upon which many future gifts will be built!

Developing a short list of activities, including many items that are generally "put on the back burner" most of the year due to limited time, may offer benefits for many years to come. Decide on those goals which you can realistically accomplish to make this summer an especially rewarding season. *G&T*

Phillip Adcockyice president and senior consultant with Robert F. Sharpe and Company since 1996, formerly served as national director of major gifts and planned giving for the American Cancer Society National Center.

Tips on Writing Letters to Donors . . . *Continued from page 4*

Even if you can't sign a letter yourself, have an associate sign for you with his or her initials after your name.

Looks count, too

Whether it is a letter for a mass mailing or a handwritten thank-you note, every letter your organization sends should be printed or written neatly so that it is easy to read. On printed letters, check that the type is not printed in a hard to read color or too faint. Also make sure that the text is centered correctly on the page. Consider the font size of the text. Is the font large enough for older readers to read comfortably? Avoid using a font size smaller than 12-point. Considerably large type may sometimes be appropriate if you know that virtually all of the recipients of the letter will be persons of advanced age.

On handwritten letters, check for smears or smudges of the ink. Make sure your handwriting is legible—this may mean getting a second opinion from someone else in your office! Remember, even a quickly written note reflects on you and your organization and could have a lasting impact—either good or bad—on a donor.

Conclusion

In the development profession, when you send carefully thought-out correspondence to donors, it becomes more than just a matter of etiquette or good manners. It shows donors that you care about what you do and the impression you make on behalf of your organization. And when they know *you care*, *they* are more likely to care as a result. *G&T*

Elizabeth Smithers, senior editor for the Sharpe company, is editor of Give & Take. She has over four years of experience in the planned giving field.

Footnotes for Gift Planners

News and ideas about Robert F. Sharpe and Company's services and publications. For more information, join us on the Web at www.rfSCO.com.

Year-end is getting closer . . .

And if you need an informational brochure for your donors, Robert F. Sharpe and Company has five different publications for your fall appeals. Each title offers something special and unique:

- **"Giving at Year-End 1998"** and **"Giving Before December 31"** are designed to be used in development efforts to a widespread group of friends and donors at all giving levels.
- **"Giving Thanks at Year-End"**, with its attractive, full-color harvest scene on the cover, carries the theme of Thanksgiving throughout the text and design.
- **"Ways of Giving at Year-End"** was created especially for use by educational institutions to promote year-end gifts from alumni and friends.

These brochures communicate the benefits of giving before year-end in a clear, concise manner. If you order before July 31, 1998, you will receive a 10% discount on your order. Plus, any prepaid order of 5,000 pieces or more received by July 31 will be imprinted at no additional cost. To place your order, please call 1-800-238-3253 or, for fastest service, fax your order to (901) 761-4268.

Rate changes are here

The American Council on Gift Annuities' new recommended rates took effect July 1, 1998. Are you prepared to help your donors with up-to-date gift annuity publications?

Sharpe can help you revamp your publication library with the newly revised booklet **"Giving Through Gift Annuities ."** This booklet has been updated in three specific ways:

1. The format is "rate neutral." In other words, the examples in the text do not associate specific ages with the rates mentioned. As a result, this booklet is extremely flexible and can be used with both the old and new Council rates. The booklet may also in many cases be used by those organizations that set their own rates. Check booklet copy to make sure rates mentioned are offered by your organization.
2. The copy has been revised to point out the current advantages of funding gift annuities with appreciated property due to the 1997 tax act.
3. The "Technical Advisory Section" has been updated. This comprehensive section may be particularly beneficial for donors' financial advisors.

The gift annuity rate changes may offer an opportune time to market to donors you think would be good candidates for gift annuities. This booklet could be used in a special mailing to such donors. Or you may need to keep these booklets on hand in your office as a follow-up piece to donor visits and phone calls.

Call 1-800-238-3253 for more information or to place your order for the new gift annuity booklet. [G&T](#)

'The reports of my death are greatly exaggerated.'

This famous quote from Mark Twain in 1897 could also be applied today to the confusion surrounding gifts of appreciated securities. Many people seem to think such gifts are dead. But those reports are not true!

As we reported in the June issue of *Give & Take*, one tax incentive that expired on June 30 as a result of the 1997 tax act was the deduction for long-term appreciated securities donated to *private non-operating foundations*. This deadline did not affect most public not-for-profit organizations. But many of you have told us your donors are confused by it, thinking that they will no longer receive a charitable income tax deduction for their stock gifts.

Turn this confusion into a learning opportunity. Tell your donors that their stock gifts are still very much welcome and deductible. Let them know about the benefits that still exist through gifts of appreciated securities. Year-end gift brochures and the Sharpe booklet **"Taking Stock...and Giving It"** may be particularly helpful tools as you explain the most effective ways to make stock gifts. [G&T](#)

Training Update

Major Gift Planning I - Options and Opportunities

In two concentrated, information-packed days, presenters Robert F. Sharpe, Jr., and Jonathan G. Tidd, Esq., discuss the most important facts gift planners need to know to successfully guide their organizations into the 21st century. By linking their knowledge and over 40 years of combined experience, Sharpe and Tidd lead participants through a comprehensive training experience.

Make sure you are prepared to meet your donors' needs in the future by attending this popular seminar. Registration is always limited to allow for more interaction between participants and instructors.

Major Gift Planning II

For the more experienced gift planner there is "Major Gift Planning II," which focuses on applying various planning tools to help donors meet multiple goals while making significant gifts. A working knowledge of various gift planning vehicles is assumed. Special emphasis is placed on the impact of recent tax legislation.

Instructors Robert F. Sharpe, Jr., and Jonathan G. Tidd, Esq., pay particular attention to the practical challenges facing today's fund gatherers.

Planned Giving When That's Not All You Do

If you're responsible for more than planned giving, this one-day seminar will help you focus your efforts. "Planned Giving When That's Not All You Do" is designed to broaden the knowledge of gift planning throughout your organization, from your CEO or president to the support staff who may be first on the phone with donors. Your co-workers will become some of your best planned giving advocates once they understand its benefits for your donors and your institution. **G&T**

Multiple registration discounts are available. For more information or to register, please contact the Sharpe Company. Call 1-800-238-3253, ext. 360. Fax (901) 761-4268. Web site www.rfSCO.com. E-mail seminars@rfSCO.com

Seminar Training Dates

Major Gift Planning I

Pittsburgh
July 20-21
New York
September 14-15
Pasadena
October 12-13
Kansas City
November 9-10

Major Gift Planning II

Chicago
August 3-4
Washington, D.C.
December 3-4

Planned Giving When That's Not All You Do

New York
August 3
Chicago
September 11

Senate Approves Measure to Protect Gifts

Currently, if a donor files for bankruptcy, bankruptcy trustees may attempt to force a charitable organization to return contributions, even if the donor made the gifts as many as six years prior to filing bankruptcy. The U.S. Senate recently approved legislation that would prohibit such repayments from nonprofits unless the trustee could prove a gift was made in order to deceive creditors.

"Presently, if a debtor blows every last dollar on gambling and liquor, the trustee cannot recover the money from the casino or liquor store," said Steven McFarland with the Center for Law and Religious Freedom at the Christian Legal Society. "But if the debtor donates that same money to his church or the Red Cross, the creditors can force payment," he stated.

With this Senate legislation, churches and other not-for-profits would be better protected from bankruptcy courts. The House of Representatives is also considering a similar bill. **G&T**

Source: *The Chronicle of Philanthropy*, May 21, 1998

Run same ad as last issue back cover.